

POLITICAL OPINION AND THE TRENDS IN ROMANIAN GOVERNMENT EXPENDITURES

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Abstract

A critical question for citizen deliberation is whether the country expends the right amount of public funds, allocated in the right proportions across the various substantive tasks of the government. Romania shows clear linear expenditure trends over time, largely independent of the government or political party in power. The Median Voter Theorem suggests that this might be an anticipated and legitimate democratic outcome given the incentive for politicians to follow movements in majority opinion or else risk electoral defeat. Yet the theorem, we discover, does not succeed in explaining the direction of Romanian budget trends.

This paper examines post-revolution Romanian national government expenditures, compared to the preferences expressed by Romanian citizens as best we can determine from available public opinion polls. The finding, despite limited data, is that government spending and popular preferences show little correspondence, indicating possible problems regarding democratic responsiveness.

Keywords: Median Voter Theorem, Romanian budgets, Romanian democracy, political responsiveness.



1. Introduction

Democratic representation entails a two-directional exchange – from mass to elite through the process of electing and replacing important officials, and from elite to mass through government policies that, to some considerable degree, should respond to citizen needs and wants. This paper examines Romanian post-revolution national government expenditure trends, compared to the preferences expressed by Romanian citizens as best we can determine from available public opinion polls. The finding, despite limited data, is that government spending and popular preferences show little correspondence. As reflected in high levels of expressed discontent, it is doubtful whether the Romanian public is receiving an appropriate return for its vote.

A critical question for citizen deliberation is whether the country expends the right amount of public funds, allocated in the right proportions across the various substantive tasks of government. Romania shows clear linear expenditure trends over time, largely independent of the government or political party in power. The Median Voter Theorem suggests that this might be an anticipated and legitimate democratic outcome given the incentive for politicians to follow movements in majority public opinion or else risk electoral defeat. Yet the theorem, we find, does not succeed in explaining the direction of Romanian budget trends, indicating potential problems regarding democratic responsiveness.

2. Theoretical problem and literature review

The most striking fact about Romanian national expenditures is the strength of linear trends across the time series and the relative insignificance of the particular government or political party in power in deflecting them. Nor is there an effect resulting from the election cycle or from reforms in electoral rules (King and Marian, 2016). The central finding is presented in Table 1.

The regression model used, simplified for current purposes, is:

$$\text{Expenditure/GDP} = \text{Intercept} + \text{Year} + \text{Right-Left Party}$$

The regression dependent variable is Expenditure by the national government as a share of GDP, between 1991 and 2012, overall and by substantive budget function. Data are yet unavailable for the period after 2012. Total expenditures have been calculated from the General consolidated budget (issued by the Ministry of Public Finances – Ministerul Finanțelor Publice, undated), which includes the State Budget, Local Administrative Budgets, and those Special Budgets for earmarked funds that (in whole or in part) generate their own revenues. Of the substantive expenditure categories, pensions are found in a Special Budget, the only one for which there is consistent data for the entire period under consideration. The remaining substantive categories are component parts from the State Budget, as reported in the Annual Statistical Yearbooks (issued by the National Institute of Statistics – Institutul Național de Statistică, undated).

The regression independent variable Year is operationalized such that 1991 = 1 and 2012 = 22. The variable is intended to capture any linear trend in spending, upward or downward from the estimated intercept.

Right-Left Party, the other main regression independent variable, is a dummy variable coded 0 when the party of the left-center (Social Democrats) dominates the government and selects the Prime Minister, and 1 when a party of the right-center (Democratic Convention, Liberals, Democratic-Liberals) dominates the government and selects the Prime Minister. Because the annual Romanian national budget is approved in late December, around the same time as periodic Romanian parliamentary elections, any incoming government exercises minimum budgetary control during its first year in office. Thus the Right-Left party variable, as is common in studies of this sort, is lagged t+1, such that the first Năstase budget year is 2002 and the first Tăriceanu budget year is 2006.

Table 1: Expenditure Categories as a Share of GDP: 1991-2012
Linear Trends and Left-Right Party Effects

	Intercept	Year	Right-Left Party
Total Expenditures	30.700** (1.471)	-0.032 (0.145)	2.378 (1.826)
State Budget	23.174** (1.186)	-0.487** (0.117)	2.095 (1.473)
Pensions	5.722** (0.373)	0.050 (0.037)	0.677 (0.463)
Public Assistance	0.854** (0.244)	0.107** (0.024)	0.359 (0.302)
Education	3.595** (0.201)	-0.178** (0.020)	0.645* (0.250)
Health	2.212** (0.174)	-0.092** (0.017)	-0.294 (0.216)
Culture, religion, etc.	0.264** (0.017)	0.003 (0.002)	0.044 (0.027)
Economic	4.001** (0.485)	-0.175** (0.048)	-0.677 (0.602)
Agriculture	2.316** (0.256)	-0.061* (0.025)	-0.204 (0.317)
Trans/Communication	0.853** (0.113)	0.043** (0.111)	0.044 (0.140)
Defense	2.843** (0.133)	-0.101** (0.013)	-0.113 (0.166)
Public Order	0.952** (0.089)	0.055** (0.009)	0.154 (0.110)
Public Administration	0.542** (0.118)	0.047** (0.012)	0.039 (0.146)

Legend: ** = < .01; * = < .05

Source: Authorial computation

As can be seen in Table 1, there is no long-term linear trend in total Romanian expenditures as a share of GDP, nor for the Pensions fund or for the small category

for Culture, Religion, Sport and Youth Activities. There are statistically significant downward Expenditure/GDP trends for the State Budget (implying a reciprocally increasing share over time for Local Budgets), and for the substantive categories Education, Health, Economic Development and Energy, Agriculture, and Defense. There are statistically significant upward Expenditure/GDP trends for Public Assistance, Transportation and Communication, Public Order, and General Public Administration. The only category for which political party matters is Education, where governments of the right-center, while maintaining the general downward trend, do so to a somewhat lesser degree than governments of the left-center.

The conclusion is that linear trends predominate across the entire post-revolution period, far more than political variables. As seen in Table 1 (and supported by our wider study of expenditure patterns), there are but minimal observed politically-inspired deviations from the linear trends, and even these are often inconsistent. It is a result at considerable variance from popular impression, anticipated from the intense partisan controversies that beset Romanian politics. There is, however, a major proposition in the social science literature that predicts just this sort of outcome: the Median Voter Theorem (Downs, 1957; Black, 1958).

The theorem is quite simple. Rational, utility-maximizing individuals with single-peaked preferences will always select the policy option closest to their own position over any policy option further away. Then assume two competing political actors, for example the government and its opposition, each of which wishes to retain/obtain power. Each therefore will select the position anticipated to bring it the most support, which is always the position of the median voter, M ; any other position would be defeated by majority rule. Imagine, for instance, that some actor has a preference for location L , minimally to the left of the median; all else being held equal, L would be viewed as inferior to M by all individuals to the right of the median, plus by those sitting exactly at the median. The implication is that both competing actors, despite their initial differences, will adopt the same policy position and that the opinion of the median voter always prevails, regardless of the spread of individual opinions. Furthermore, over time, if the position of the median voter shifts, political actors have incentive to respond rapidly, and outcomes thus will move in the direction desired by the median voter independent of which of the actors happens to be in power.

Normatively, the theorem predicts policy outcomes that are highly responsive to aggregate citizen opinion as the consequence of free democratic competition. The empirical results, however, are mixed. The traditional approach from economists is to address the problem objectively, estimating the median voter's demand function for public goods in terms of the marginal tax price at the 50th percentile income level, comparing across localities (Barr and Davis, 1966; Bergstrom and Goodman, 1973). Despite the increasing sophistication of such studies, they have been criticized methodologically for faulty inferences and conceptually for oversimplifying the diversity of preferences across individuals and for ignoring the impact of institutional differences across observations (Romer and Rosenthal, 1979).

By contrast, the approach from political scientists has most often been subjective rather than objective, utilizing survey results to assess the linkage of policy to citizen policy preferences. Some have focused on separate constituencies, comparing district opinion to the voting record of elected representatives (Miller and Stokes, 1963); others have focused on national attitudes, examining both changes in the overall mood and attitudes about specific policies (Page and Shapiro, 1983; Monroe 1979; 1998; Erikson, Mackuen and Stimson, 2002). Again there are different criticisms, methodological regarding sampling bias and question framing (Burstein, 2006), and conceptual regarding the low levels of policy information and understanding among average citizens, the possibility of elite manipulation of citizen opinion, and differences between ordinary policies and those of especially high salience. The general result, found mostly for the United States where data are abundant, is considerable although far from complete correspondence. This is often reported as a notable societal achievement given the number of institutional veto players in the U.S. and the inherent political tendency toward inertia. Gilens (2012), for instance, with a data set including thousands of United States policies, many of low salience, finds that the probability of policy change occurring is low when survey opinion favoring a change from the status quo is 50% or less, but it rises positively and with statistical significance as the weight of opinion grows. However, some recent findings for the U.S. indicate that policy most strongly follows, not the opinions of the median voter, but instead those in upper reaches of the income distribution. If so, outcomes that appear to follow the median occur primarily when the economically privileged also concur (Bartels, 2008; Gilens, 2012; Gilens and Page, 2014).

Unfortunately, regarding the case of Romania, there is insufficient opinion data for such a rigorous and detailed project. For simplicity, we have limited the operationalization of policy change merely to the systematic long-term trends in Romanian national expenditures. Yet there are surprisingly few Romanian opinion polls that ask questions about public policy, and fewer that are reliable and consistent over time. We have found none that inquire directly about government expenditures and expenditure priorities. This paper represents our best efforts to tease out an impressionistic finding from available survey results, in order to determine whether or not expenditure trends are generally in the direction anticipated from the median voter.

3. Romanian opinion and policy priorities

The most useful set of surveys is the Public Opinion Barometer sponsored by the Soros Foundation, undertaken three or four times per year between 1995 and 1997, and twice per year from 1998 through 2007. The surveys asked respondents to evaluate the government's performance in a number of substantive areas. Respondents in the initial surveys were given only two options, 'satisfied or unsatisfied'. Later they were given four options, 'very good, good, bad, or very bad', and then 'very satisfied, satisfied, unsatisfied, very unsatisfied'. Table 2 reports the results for all available surveys and subject areas, showing for ease of presentation only the percentage of respondents who replied with negative evaluations.

Table 2: Romanian public opinion about government performance

Survey	Jobs	Wages	Indust.	Agric.	Educ.	Cult.	Health	Housing	Public Order
March 1994	88.0	87.0	84.0	84.0	66.0	64.0	73.0		
June 1994	90.0	91.0	92.0	86.0	79.0	75.0	77.0		
Sept. 1994	86.0	88.0	80.0	81.0	66.0	61.0	71.0		
Dec. 1994	85.0	90.0	83.0	76.0	58.0	58.0	66.0		
March 1995	86.6	90.1	80.8	76.4	54.7	56.2	68.2		
June 1995	89.1	91.8	79.1	77.4	53.7	55.2	64.8		
Sept. 1995	83.2	87.8	71.7	71.0	47.1	49.5	63.9		
Dec. 1995	88.4	95.0	80.0	82.7	64.4	61.3	67.7		
March 1996	89.7	92.8	79.4	82.1	58.2	58.8	67.9		
July 1996	89.2	93.4	81.2	83.1	63.1	64.0	73.1		
Oct. 1996	84.8	90.3	76.9	83.6	58.4	57.4	71.4		
March 1997	72.2	80.6	61.8	75.4	42.9	43.2	63.7		
June 1997	79.0	84.9	71.6	78.0	57.1	56.4	72.9		
Sept. 1997	72.8	78.6	63.1	72.7	43.9	41.9	62.2		
Dec. 1997	85.5	88.2	77.0	78.5	65.1	64.4	78.0		
June 1998	89.5		81.0	83.8	59.3		72.2	82.7	64.3
Nov. 1998	84.3		73.7	76.0	54.6		68.2	74.3	56.7
May 1999	88.7		84.4	86.8	68.8		78.0	81.2	72.0
Nov. 1999	89.2		86.3	88.1	69.7		83.0	78.2	74.9
May 2000	86.1		80.9	80.9	63.2		72.0	--	--
Nov. 2000	88.6		86.4	88.3	71.1		86.1	--	50.9
May 2001	79.6		69.5	65.2	47.1		54.4	70.0	--
Nov. 2001	81.3		70.4	74.6	54.8		71.8	71.3	57.4
June 2002	83.5		78.0	78.9	56.5		71.9	73.6	56.2
Oct. 2002	80.2		70.8	73.3	45.3		63.5	67.6	46.7
May 2003	80.7		70.2	74.0	46.9		77.5	66.3	48.9
Oct. 2003	78.5		70.7	73.5	51.2		76.0	67.6	53.0
May 2004	79.5		69.6	71.0	44.8		68.5	70.4	44.7
Oct. 2004	76.3		63.9	65.0	50.8		68.3	66.2	48.1
May 2005	75.5		66.5	71.5	50.9		74.5	68.9	49.6
Nov. 2005	78.7		73.7	77.0	61.5		79.4	76.5	--
May 2006	81.9		70.5	76.4	48.8		76.2	66.5	50.5
Oct. 2006	78.5		64.3	74.4	49.5		74.2	66.3	48.5
May 2007	76.0		68.0	76.6	52.0		71.8	69.9	49.1
Oct. 2007	72.6		64.4	73.3	48.5		65.7	64.4	51.2

Legend: Percentage of respondents who replied 'unsatisfactory' or 'very unsatisfactory' ('bad' or 'very bad') when asked to evaluate the government's performance dealing with ...

Source: Adapted after Soros Foundation, undated

The main observation is the across-the-board discontent expressed by Romanian respondents, as in no survey, for no substantive policy area, was there ever 50% expressed satisfaction with government performance. The most negative ratings were for economic-related policies (jobs, wages, industry, agriculture) although there was a slight lessening in the percentage of unsatisfactory responses as the economy improved upon European Union accession. Social policies (such as health, culture, education, housing, public order) were on average judged quite unsatisfactory, with health policy predictably eliciting the highest percentage of negative responses; over time, there were no discernable trends in these data.

Given such consistent and overwhelmingly unfavorable evaluations of Romanian government performance, one might have expected sweeping efforts at policy reform. One certainly would not have anticipated, as noted above, strongly downward trends in State Budget expenditure support for Economic Development, Agriculture, Health, and Education, nor special justification for the upward expenditure trend in Public Order. Interpretation of the data is less than certain because the survey questions do not ask directly about policy change. Our inference, however, is that Romanian governments could claim neither citizen justification for the expenditure trends reported in Table 1, nor approval from the citizen response to those trends. At a minimum, the data indicate substantial disconnect between citizen evaluation and government expenditure policy.

A different approach to Romanian public opinion comes from survey questions asking respondents to identify the nation's two most important policy problems, selected from a list provided. The Soros Foundation's Public Opinion Barometer regularly asked: 'Which things most concern you at present?'. Only the first and second answers were coded. Although the provided list of policy arenas changed just a bit over time, there are twenty-six roughly compatible surveys, from 1994 through 2007.

Table 3: What things most concern you at present? Select two items from the list
(Percentage of answers for each item, rows sum to 100% x 2)

	Prices	Unemployment	War	Terrorist attack	Crime	Illness/Health	Social unrest	Dictatorship	Future of the children	Other/None of these	I have no concerns	DK/NA
RB-March-94	50.9	24.5	50.2	-	16.5	31.9	11.6	10.9	-	1.9	-	1.7
RB-June-94	60.0	34.0	35.0	-	15.0	33.0	11.0	8.0	-	-	-	4.0
RB-Sept-94	50.0	30.0	39.0	-	22.0	34.0	9.0	12.0	-	-	-	4.0
RB-Dec-94	52.0	24.0	39.0	-	20.0	35.0	12.0	9.0	-	-	-	9.0
RB-March-95	53.8	27.4	33.1	-	18.1	30.1	10.6	7.3	-	2.0	-	17.5
RB-June-95	55.6	32.0	33.8	-	18.9	28.6	12.3	5.9	-	3.4	-	9.7
RB-Sept-95	51.2	27.1	-	-	41.7	17.0	36.3	8.6	-	9.4	-	8.9
RB-Dec-95	60.8	26.0	30.8	-	18.7	35.1	9.7	8.3	-	2.1	-	8.4
RB-March-96	70.2	29.0	-	-	29.5	37.8	15.4	8.5	-	2.5	-	7.1
RB-July-96	67.7	26.6	25.8	-	18.5	33.9	9.6	6.5	-	3.6	-	7.7
RB-Oct-96	61.5	27.0	28.3	-	17.0	38.8	10.7	8.3	-	3.6	-	4.8
RB-March-97	51.1	24.5	36.1	-	24.2	34.8	14.9	6.2	-	6.7	-	1.5
RB-June-97	54.8	28.7	25.6	-	20.3	41.1	11.5	3.8	-	3.3	-	10.8
RB-Sept-97	46.7	20.0	30.0	-	25.9	38.1	11.5	7.2	-	2.6	-	17.9
RB-Dec-97	54.9	24.6	27.5	-	17.9	43.6	11.3	6.4	-	4.6	-	9.2
RB-Nov-98	34.6	11.6	42.0	-	13.1	40.2	7.5	-	36.2	4.2	-	10.7
RB-May-99	39.7	12.1	59.0	-	6.3	33.6	6.2	-	31.6	3.7	-	7.7
RB-Nov-99	46.8	18.0	26.7	-	10.0	49.4	7.2	-	33.4	4.1	-	4.3
RB-May-00	38.7	11.5	29.9	-	15.2	42.2	8.1	-	43.4	5.2	-	6.0
RB-Nov-00	48.7	12.5	21.4	-	12.0	51.8	5.6	-	38.2	4.8	-	4.8
RB-May-01	29.8	9.5	38.8	-	20.0	48.5	5.5	-	35.9	4.4	-	7.7
RB-Oct-03	42.1	13.8	24.4	-	15.6	55.6	4.6	-	35.3	3.3	-	5.3
RB-May-04	34.3	13.3	23.5	11.5	16.4	46.6	4.8	-	35.5	2.5	1.9	9.8
RB-Oct-04	34.4	11.1	21.9	11.1	14.1	52.5	5.6	-	31.9	4.1	2.3	10.9
RB-May-05	34.1	11.9	19.1	7.1	14.5	55.6	6.5	-	32.6	4.9	3.7	10.0
RB-Oct-07	48.2	11.1	11.7	5.0	16.5	46.2	5.2	-	34.1	2.1	17.6	2.3

Source: Adapted after Soros Foundation, undated

The European Commission's Eurobarometer (Table 4) asked a somewhat more specific question: 'What are the two most important issues facing (Our Country) at the moment?'. There are eighteen relevant surveys, from 2004 through 2012. In four cases, the sample was divided in order to test alternative wordings for the same policy category; as no difference in result occurred, we merely merged the two halves. In one case, the sample was divided, with half given the usual closed list of options and the other allowed open-ended responses; given that the open-ended responses were coded into the same categories as the closed-list and given that there was no difference in result, we again merely merged the subsamples. In three cases, a few of the closed-list options offered to half the sample differed from those offered to the other half; we weighted the percentage responses by sub-sample size to establish consistency across all response categories.

By far, the main expressed worry among respondents concerned the economy. From the earlier Public Opinion Barometer set of surveys, the high degree of concern regarding unemployment and inflation reduced slightly as the transition period proceeded and EU accession became assured. The Eurobarometer surveys, covering a more recent time period, also added a category for the economic situation in general. Predictably, general economic fears, as well as those for unemployment and inflation, rose during the years of worldwide economic crisis yet have declined only minimally since then. Romanian public policy over the past decade has strongly tilted in a neo-liberal direction, regardless of the party controlling the government. Both economic assistance spending and agriculture spending as a share of GDP have trended steeply downward. Capital outlays have declined as a share of national budget. There is little evidence to infer that this shift was demanded by the public or that the results have been understood and applauded.

Crime remained a relatively constant concern within both sets of opinion surveys. Social unrest was a declining concern in the Public Opinion Barometer surveys. Both results are inconsistent with the significant rise in Romanian expenditures on public order as a share of GDP, regardless of the party in power. War was a diminishing concern across the Public Opinion Barometer surveys; defense and foreign affairs remained a low concern across the later, Eurobarometer surveys. Public opinion thus does not contradict the linear trend showing reduced defense expenditures as a share of GDP over time.

Importantly, health concerns were high, rising slightly across the Public Opinion Barometer surveys; they remained relatively high, despite a wider range of available choices, across the Eurobarometer surveys. This contrasts distinctly with the steep decline in national government health expenditures as a share of GDP. National government education expenditures have declined similarly. Education concerns were lower than those for health in the Eurobarometer surveys, yet the Public Opinion Barometer surveys observed strong levels of concern for the future of children. Pensions, from the Eurobarometer surveys, appear as only a moderate item of public concern, consistent with the stable trend in Romanian pension spending, although the

results are not weighted by the age of the respondents or their obligations to elderly family members.

Table 4: What do you think are the two most important issues facing (OUR COUNTRY) at the moment?
(Percentage of answers, rows sum to 100% x 2)

	Crime	Public transportation	Economic situation	Rising prices/Inflation	Taxation	Unemployment	Terrorism	Defense/Foreign Affairs	Housing	Immigration	Healthcare system	Educational system	Pensions	Protecting environment	Energy Related Issues	Government debt	Other	DK	NA/Missing
EB-Oct-Nov-2004	32.0	1.0	38.3	35.6	5.6	24.4	4.0	0.4	6.2	3.4	14.4	5.4	15.5	2.4	-	-	5.6	2.0	3.8
EB-May-June-2005	28.1	1.4	44.6	26.6	7.5	24.1	4.3	0.7	5.4	2.9	25.2	3.6	14.8	1.5	-	-	3.0	1.8	4.5
EB-Oct-Nov-2005	21.5	2.2	45.1	29.9	8.4	25.1	4.1	0.7	7.3	1.9	23.2	4.9	16.3	1.9	-	-	2.8	1.3	3.4
EB-March-May-2006	22.8	1.2	48.0	27.8	8.0	22.8	3.0	0.6	5.6	1.1	21.5	4.2	20.9	1.8	-	-	4.6	1.1	5.0
EB-Sept-Oct-2006	22.6	-	43.7	29.5	7.8	20.6	3.8	1.2	7.9	2.8	25.1	7.4	18.3	1.9	0.4	-	2.7	1.1	3.2
EB-April-May-2007	18.4	-	43.5	26.7	8.7	19.1	1.5	1.3	13.1	1.8	27.2	4.1	18.4	4.4	1.7	-	1.9	2.2	6.0
EB-Sept-Oct-2007	21.0	-	30.6	35.2	8.2	15.9	2.0	2.5	9.2	4.3	23.4	8.0	25	3.3	1.5	-	2.6	1.0	6.3
EB-March-May-2008	15.8	-	35.8	47.4	11.4	10.9	2.2	0.9	11.8	3.3	25.5	6.7	14.9	3.1	1.5	-	1.2	1.0	6.6
EB-Oct-Nov-2008	17.7	-	35.4	48.7	9.0	10.4	3.0	1.8	11.6	5.0	19.8	7.2	12.7	2.5	3.5	-	2.3	1.7	7.7
EB-Jan-Feb-2009	14.3	-	48.2	43.1	4.8	27.1	2.4	1.3	6.2	1.5	17.4	5.9	12.5	2.7	1.7	-	1.2	1.2	8.5
EB-June-July-2009	16.3	-	50.6	36.1	6.8	32.1	1.5	1.4	8.1	1.6	14.5	5.6	13.6	2.7	1.0	-	1.2	1.1	5.8
EB-Oct-Nov-2009	22.7	-	52.6	39.2	7.7	36	1.0	0.5	3.6	1.2	13.4	3.9	9.6	1.8	0.6	-	1.1	0.4	4.7
EB-May-2010	15.8	-	48.1	26	9.9	38.5	1.2	1.1	3.7	1.3	19.2	6.6	17.9	1.6	0.5	-	0.0	1.0	7.6
EB-Nov-Dec-2010	15.8	-	50.3	28.3	10.2	35.2	2.1	1.6	1.8	2.9	17.7	6.4	14.1	1.8	0.1	3.7	2.0	0.6	5.4
EB-May-2011	13.3	-	42.2	36.1	8.5	30.6	3.3	2.0	2.2	2.0	22.9	3.9	14.8	1.4	1.2	3.3	3.1	0.8	8.4
EB-Nov-2011	19.3	-	48.2	28.7	7.6	32.1	2.2	2.0	1.6	2.4	20.8	4.9	13.9	1.1	0.8	3.6	2.0	0.6	8.2
EB-May-2012	20.5	-	44.7	33.6	10.6	32.6	1.3	-	4.4	1.2	18.8	5.8	11.5	1.0	-	7.3	2.3	0.5	3.9
EB-Nov-2012	20.5	-	47.6	37.4	8.8	31.5	1.1	-	2.5	1.3	16.2	6.4	13.5	1.2	-	5.9	1.9	0.6	3.6

Source: Adapted after European Commission, undated

Ideally, we would have surveys of the Romanian public over time that present the actual allocation of government expenditures across substantive functions and then ask respondents their preferences for the percentage of the budget that should be spent for those functions. Or possibly, there would be surveys asking the Romanian public whether they are willing to pay somewhat higher amounts in taxation for greater government expenditures for particular budget functions. No such surveys are available, and thus our inferences must be made with caution. In fact, the one certain observation from this project is how little existing survey instruments are attuned to issues of public policy.

The Median Voter Theorem predicts high correspondence between majority public opinion and government policy. As opinion shifts, so too should policy, in the same direction and approximately to the same degree. There should not be stable policy in areas of severe citizen discontent, and certainly not reduced policy commitment in areas where citizens wish more from their government. To the extent that

we can evaluate from the temporal patterns of Romanian State Budget expenditures, there is little evidence of linkage from opinion to policy.

Despite high levels of general dissatisfaction, there has been no linear trend in overall expenditures as a share of GDP. Neo-liberal economic policies have not been sufficient to quell deep Romanian concerns. By substantive budget category, despite serious worries about health care, national government health expenditures as a share of GDP have declined. There seems to be no public backing for similar reductions in national expenditures on education or for increases in national expenditures for public order. At best, from the available data, there is general consistency between public opinion and the decline in defense expenditures as a share of GDP and possibly with the stability of pension spending. There are most certainly explanatory factors driving the trends in post-revolution Romanian government expenditures; the results reported in Table 1 are distinct and clear. We established previously that the party in power and its ideological position are not especially relevant. From this paper, it also does not appear that public opinion is a strong determining factor.

4. Further investigations

There is another possible explanation for the dominance of long-term linear budget trends and the general statistical irrelevance of government in power, political party, or median opinion. It is conceivable that Romanian governments, regardless of type, are all attending to objective characteristics in Romanian society. Expenditures therefore would be responding to changes in need rather than wants or demands, to the social context within which politics occurs rather than the political context that seeks to shape society. From the analysis of available data, however, we remain skeptical.

For instance, the percentage of pensioners as a proportion of the Romanian population rose from 1991 through 2002 and declined afterward. There is no bi-variate statistical relationship associating pensioners as a share of the population with pension spending as a share of GDP. Similarly, despite expectation, there no statistical relationship associating the calculated unemployment rate with public assistance spending/GDP. There is no statistical relationship between offenses investigated by the police per capita and public order expenditures/GDP; the same applies for the number of persons in penitentiaries per capita. The decline in enrolled students as a share of the population does correspond to declining State Budget education expenditures/GDP, but it explains less than one-third of the total variation. By contrast, there is no systematic relationship between illnesses per capita and State Budget health expenditures/GDP, and quite surprisingly, there is an inverse relationship over time between the number of patients per capita and State Budget health expenditures/GDP.

In sum, our conclusion emerges strongly as a non-finding. Previously, we had established that neither party ideology nor government composition explained post-revolution budget trends. Here we have established that neither responsiveness to public sentiment nor objective societal needs can explain those trends. Non-find-

ings can be quite impressive when both popular expectation and existing social science theory suggest otherwise.

Regarding alternative potential explanations, we can only speculate. One possibility concerns westernizing reforms and the transition from the communist era, including international influences from the European Union and the International Monetary Fund. The fall of communism was generally associated with a turn away from the state. Government direction became less attractive as a means of organizing economic markets and providing individual benefits. In Romania, as elsewhere in former communist countries, a neo-liberal policy template dominated the public arena. Successive governments were strongly encouraged toward certain paths by EU entry requirements and by international financial institutions as a prerequisite for obtaining valued assistance. It remains for further research to determine the extent to which precise trends in expenditure categories correspond to actual demands from international actors. Further, it needs to be seen whether other nations facing the same neo-liberal pressures responded with the identical movements regarding expenditures. If not, Romanian policy faced more autonomy than might otherwise be assumed.

The inferences reported above should be considered only tentative, contingent on the weakness of the data utilized. For example, the independent variables used in this study – substantive categories for Romanian post-revolution expenditures over time as found in official analyses of the State Budget – might contain too much internal error or are too broad and inclusive, affecting our efforts at causal inference. Unfortunately, these are the only data currently available. For now, it is the absence of systematic explanation that predominates.

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